

Product Strategy and Product Life Cycle

Learning Objectives

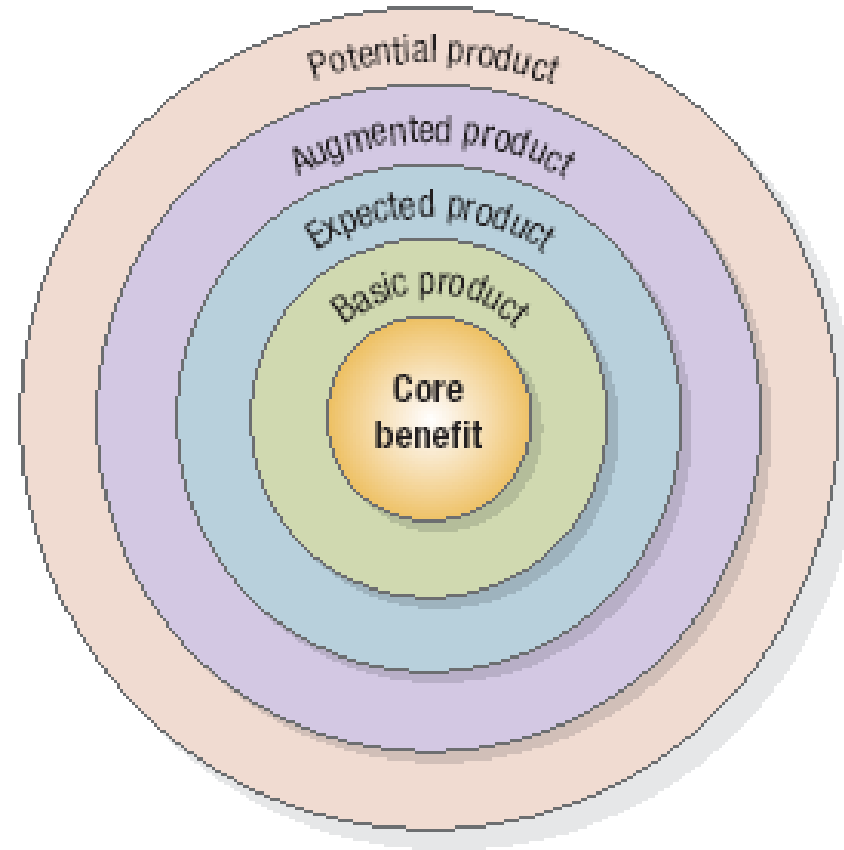
- What are the characteristics of products and how do marketers classify products?
- How can companies differentiate products?
- How can a company build and manage its product mix and product lines?
- How can companies use packaging as marketing tools?
- What is Product Life Cycle?



What is a Product?

A **product** is anything that can be offered to a market to satisfy a want or need, including physical goods, services, experiences, events, persons, places, properties, organizations, information, and ideas.

Five Product Levels



Consumer Goods Classification

Convenience

Shopping

Specialty

Unsought

Industrial Goods Classification

Materials and parts

Capital items

**Supplies/
business services**

Product Differentiation

- Product form
- Features
- Customization
- Performance
- Conformance
- Durability
- Reliability
- Repairability
- Style



Design Differentiation



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Service Differentiation

- Ordering ease
- Delivery
- Installation
- Customer training
- Customer consulting
- Maintenance and repair
- Returns

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No room service.**

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There was a time when men hired men to help with the luggage and open doors for them. But Ginger gave us the days of the Raj, thank God. We live in an era today where men are more than happy to carry their weight on their own shoulders. As are, of course, the women.

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Product Systems and Mixes

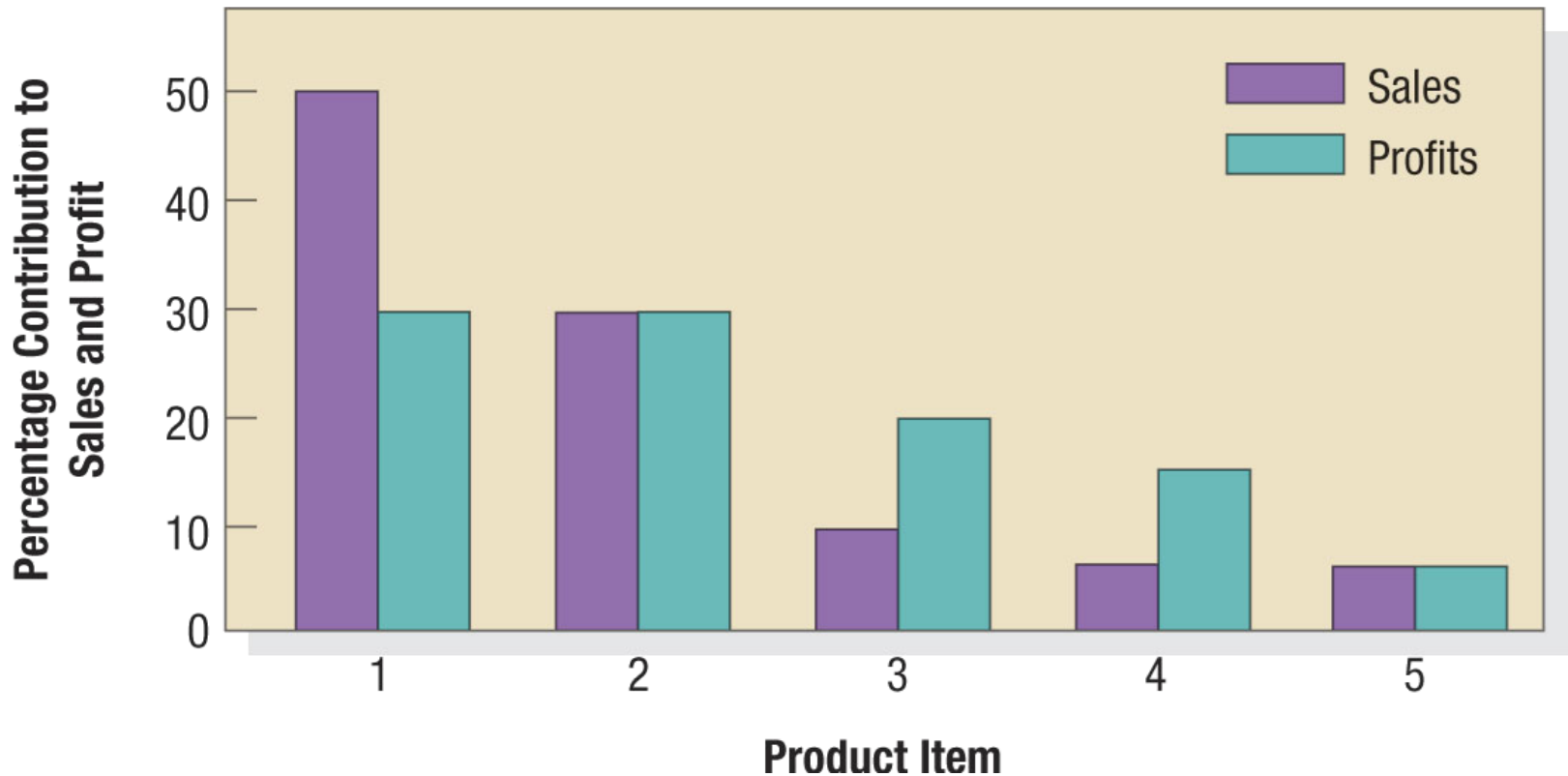


- Product system
- Product mix (or Product assortment)
- Depth
- Length
- Width
- Consistency

Product-Mix Width and Product-Line Length for HUL

		Product-Mix Width			
PRODUCT LINE LENGTH	Personal Wash	Laundry	Oral Care	Skin Care	Hair Care
	Lux	Surf Excel	Pepsodent	Fair & Lovely	Sunsilk
	Lifebuoy	Rin	Close-up		Clinic
	Liril	Wheel			
	Hamam			Pond's	
	Breeze				
	Dove			Vaseline	
	Pears				
	Rexona				

Product Item Contributions to a Product Line's Total Sales and Profits



Line Stretching

Down-Market Stretch

Up-Market Stretch

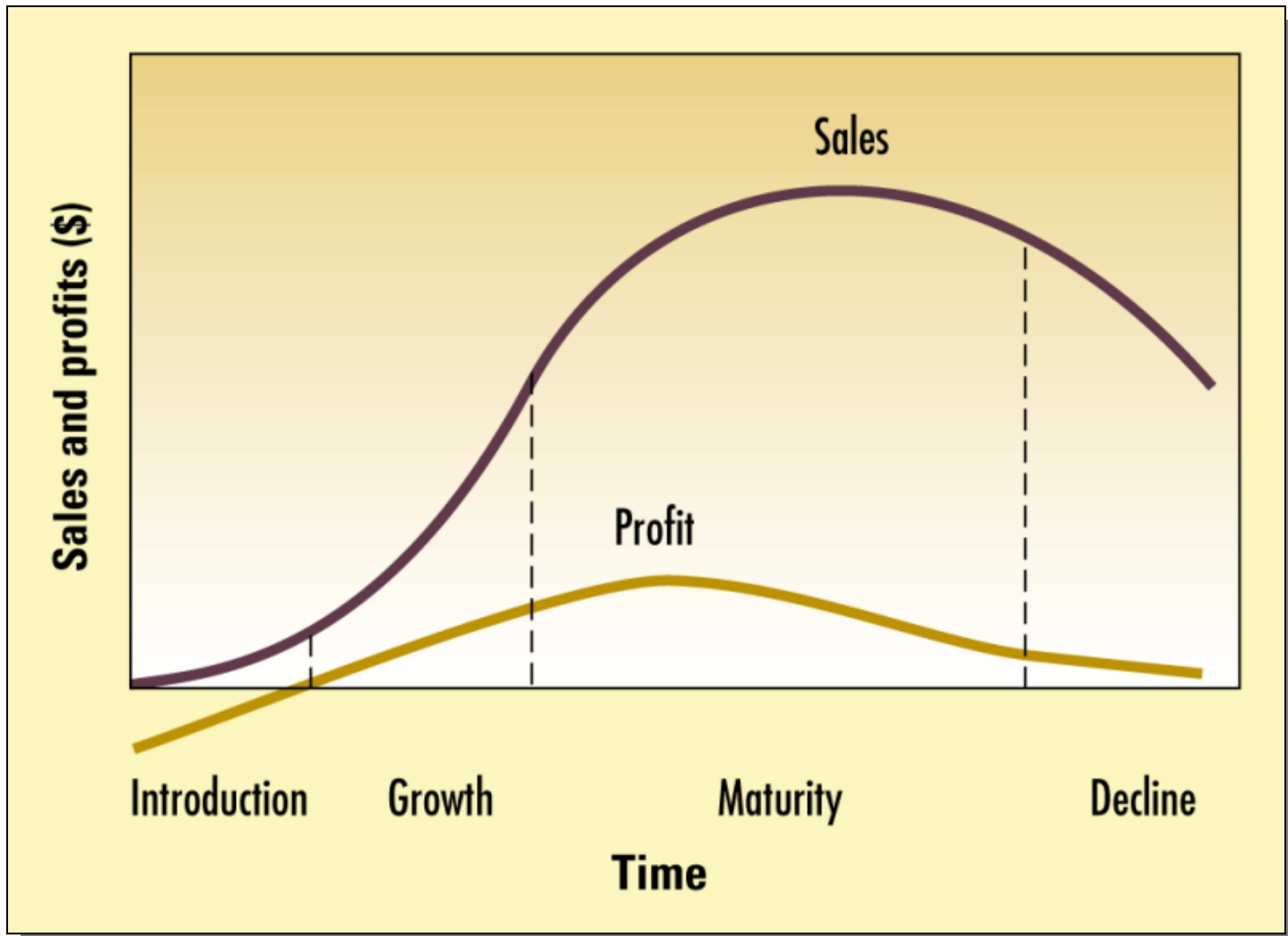
Two-Way Stretch



What is the Fifth P?

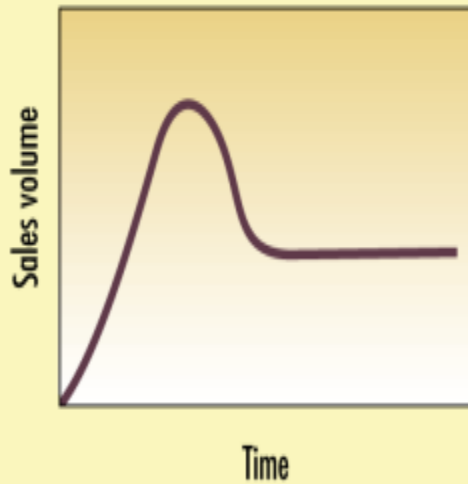
Packaging, sometimes called the fifth P, is all the activities of designing and producing the container for a product.

Product Life Cycle

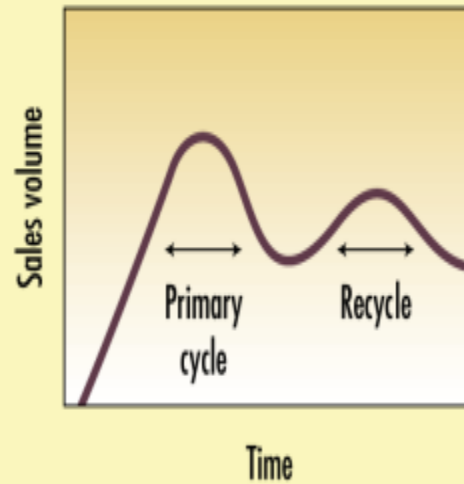


Common Product Life-Cycle Patterns

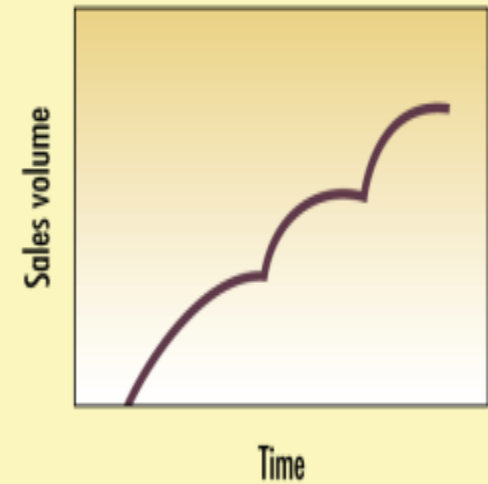
(a) Growth-slump-maturity pattern



(b) Cycle-recycle pattern



(c) Scalloped pattern



Summary of Product Life-Cycle Characteristics, Objectives, and Strategies

	Introduction	Growth	Maturity
Characteristics			
Sales	Low sales	Rapidly rising sales	Peak sales
Costs	High cost per customer	Average cost per customer	Low cost per customer
Profits	Negative	Rising profits	High profits
Customers	Few	Growing Number	Stable number beginning to decline

Contd. : Summary of Product Life-Cycle Characteristics, Objectives, and Strategies

	Introduction	Growth	Maturity
Strategies			
Product	Basic	Product extension, service, warranty	Diversify brands and item models
Price	Cost-plus	Penetration	Match competitors
Place	Selective	Intensive	More intensive
Promotion	Ads for awareness, heavy sales promotion	Awareness and interest in mass-market, reduced sales promotion	Stress brand differences, encourage brand switching